



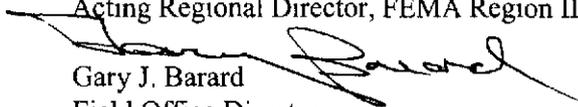
DEPARTMENT OF HOMELAND SECURITY

Office of Inspector General
Atlanta Field Office - Audit Division
3003 Chamblee Tucker Rd
Atlanta, GA 30341

August 20, 2003

MEMORANDUM

TO: Patricia G. Arcuri
Acting Regional Director, FEMA Region III

FROM: Gary J. Barard 
Field Office Director

SUBJECT: Historic Red Clay Valley, Inc., Wilmington, Delaware
FEMA Disaster 1297-DR-DE
Audit Report No. DA-21-03

The Office of Inspector General (OIG) audited public assistance funds awarded to Historic Red Clay Valley, Inc (HRCV). The objective of the audit was to determine whether HRCV accounted for and expended FEMA funds according to federal regulations and FEMA guidelines.

HRCV received an award of \$2.2 million from the Delaware Emergency Management Agency, a FEMA grantee, to remove debris, provide emergency protective measures, and repair railroad bridges damaged as a result of Hurricane Floyd in September 1999. The award provided 75 percent FEMA funding for nine large projects and five small projects.¹ Audit work was limited to the \$2,056,760 awarded and claimed under the nine large projects.

The audit covered the period September 1999 to September 2002. During this period, HRCV received \$1,542,570 of FEMA funds under the nine large projects.

The OIG performed the audit under the authority of the Inspector General Act of 1978, as amended, and according to generally accepted government auditing standards. The audit included tests of HRCV's accounting records, a judgmental sample of expenditures, and other auditing procedures considered necessary under the circumstances.

The OIG determined that HRCV used and accounted for FEMA funds in accordance with federal regulations and FEMA guidelines. On May 2, 2003, HRCV officials were informed of the audit results. Since this report contains no recommendations, a response is not required.

Should you have any questions concerning this report, please contact George Peoples or me at (770) 220-5242.

¹ According to FEMA regulations, a large project costs \$47,800 or more and a small project cost less than \$47,800